

House Engrossed

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 66

HOUSE BILL 2023

AN ACT

AMENDING SECTION 32-2181.02, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-2181.02, Arizona Revised Statutes, is amended
3 to read:

4 32-2181.02. Exempt sales and leases

5 A. The following are exempt under this article:

6 1. The sale or lease in bulk of six or more lots, parcels or
7 fractional interests to one buyer in one transaction.

8 2. The sale or lease of lots or parcels of one hundred sixty acres or
9 more.

10 B. The following are exempt from section 32-2181, subsection A and
11 section 32-2183, subsection A:

12 1. The sale or lease of parcels, lots, units or spaces that are zoned
13 and restricted to commercial or industrial uses.

14 2. The sale or lease of lots or parcels located in a single platted
15 subdivision by a subdivider if:

16 (a) A public report has been issued pursuant to this article on the
17 subdivision lots or parcels.

18 (b) The subdivision meets all current requirements otherwise required
19 of a subdivision under this article.

20 (c) The method of sale or lease of lots or parcels meets all current
21 requirements under this article.

22 (d) The lots or parcels are included on a recorded subdivision plat
23 that is approved by a municipal or county government.

24 (e) All roads within the subdivision, all utilities to the lots or
25 parcels being offered for sale or lease and all other required improvements
26 within the subdivision, other than a residence to be built, are complete,
27 paid for and free of any blanket encumbrances.

28 (f) The roads, utilities or other improvements are not complete, but
29 the completion of all improvements is assured pursuant to section 32-2183,
30 subsection D.

31 (g) Except for matters relating to ownership, there have been no
32 material changes to the information set forth in the most recent public
33 report issued for the subdivision lots that would require an amendment to the
34 public report.

35 (h) No owner of a ten per cent or greater interest, subdivider,
36 director, partner, agent, officer or developer of the subdivision has:

37 (i) Been convicted of a felony or any crime involving theft,
38 dishonesty, violence against another person, fraud or real estate, regardless
39 of whether the convictions were subsequently expunged.

40 (ii) Had a civil judgment entered against them THE PERSON in a case
41 involving allegations of misrepresentation, fraud, breach of fiduciary duty,
42 misappropriation, dishonesty or, where IF the subject matter involved real
43 property, securities or investments.

44 (iii) Had a business or professional license, including a real estate
45 license, denied, suspended or revoked or voluntarily surrendered a business

1 or professional license during the course of an investigative or disciplinary
2 proceeding or other disciplinary action taken in this state or any other
3 state.

4 (i) The sale of the subdivided lands violates no laws or ordinances
5 of any governmental authority.

6 (j) Before the buyer's or lessee's execution of a purchase contract
7 or lease, the subdivider has provided the buyer or lessee with a copy of the
8 most recent public report on the lot and has taken a receipt from the buyer
9 for the copy.

10 (k) The subdivider has provided to the buyer or lessee, along with the
11 public report, a signed statement that the subdivider has reviewed and is in
12 compliance with the terms of the exemption provided in this paragraph.

13 (l) Before sale or lease, the subdivider has notified the
14 commissioner, on a form provided by the department, of the subdivider's
15 intent to sell or lease lots or parcels pursuant to this paragraph. The
16 notice shall include:

17 (i) The name, address and telephone number of the subdivider.

18 (ii) The name, address and telephone number of any real estate broker
19 retained by the subdivider to make sales or leases of the lots.

20 (iii) The name and location of the subdivision.

21 (iv) The most recent subdivision public report reference number on the
22 lots.

23 (v) The completion status of subdivision improvements.

24 3. The conveyance to a person who previously conveyed the lot to a
25 home builder for the purpose of constructing a dwelling for the person.

26 4. The sale or lease by a person of individual lots or parcels that
27 were separately acquired by the person from different persons and that were
28 not acquired for the purpose of development if:

29 (a) The lots or parcels are not located in a platted subdivision.

30 (b) Each lot or parcel bears the same legal description that it bore
31 when the lot or parcel was acquired by the person.

32 (c) The seller or lessor is in compliance with all other applicable
33 state and local government requirements.

34 5. The sale of an improved lot in a subdivision that is located
35 outside of this state if:

36 (a) The subdivision is located within the United States and the sale
37 is exempt from the provisions of the interstate land sales full disclosure
38 act (P.L. 90-448; 82 STAT. 590; 15 United States Code sections 1701 through
39 1720).

40 (b) The subdivider is required by the state where the subdivision is
41 located to deliver a public report or equivalent disclosure document to
42 prospective purchasers and the subdivider delivers the report or equivalent
43 disclosure document.

44 6. THE SALE OF AN IMPROVED LOT IN A SUBDIVISION LOCATED IN THIS STATE
45 WHERE FIVE OR MORE SALES WERE PREVIOUSLY MADE BY THE SELLER IF:

1 (a) THE SALE IS THE SELLER'S FIRST OR SECOND SALE IN THE SUBDIVISION
2 WITHIN THE PREVIOUS TWELVE MONTH PERIOD.

3 (b) THE SUBDIVISION IS LOCATED WITHIN THE CORPORATE LIMITS OF A TOWN
4 OR CITY.

5 (c) ELECTRICITY AND TELEPHONE SERVICE ARE COMPLETE AND AVAILABLE TO
6 THE IMPROVED LOT.

7 (d) WATER AND SEWAGE SERVICE IS COMPLETE AND AVAILABLE TO THE IMPROVED
8 LOT.

9 (e) STREETS AND ROADS LOCATED OUTSIDE OF THE SUBDIVISION PROVIDE
10 PERMANENT ACCESS TO THE SUBDIVISION AND ARE COMPLETE AND MAINTAINED BY THE
11 COUNTY, TOWN OR CITY, OR BY A LEGALLY CREATED AND OPERATIONAL PROPERTY
12 OWNERS' ASSOCIATION.

13 (f) STREETS WITHIN THE SUBDIVISION ARE DEDICATED, PROVIDE PERMANENT
14 ACCESS TO THE LOT, ARE COMPLETE TO TOWN OR CITY STANDARDS AND ARE MAINTAINED
15 BY THE TOWN OR CITY OR, IN THE CASE OF PRIVATE STREETS, A LEGALLY CREATED AND
16 OPERATIONAL PROPERTY OWNERS' ASSOCIATION ACCEPTS THE RESPONSIBILITY OF
17 PERPETUAL MAINTENANCE.

18 (g) ALL SUBDIVISION COMMON AREA IMPROVEMENTS INCLUDING LANDSCAPING,
19 RECREATIONAL FACILITIES AND OTHER JOINTLY USED AND MAINTAINED IMPROVEMENTS
20 ARE COMPLETE AND MAINTAINED BY A LEGALLY CREATED AND OPERATIONAL PROPERTY
21 OWNERS' ASSOCIATION.

22 (h) THE PURCHASER'S DOWN PAYMENT, EARNEST MONEY, DEPOSIT OR OTHER
23 ADVANCED MONEY IS PLACED AND HELD IN A NEUTRAL ESCROW DEPOSITORY IN THIS
24 STATE UNTIL ESCROW CLOSES AND THE DEED IS DELIVERED TO THE PURCHASER.

25 (i) WITHIN THE PREVIOUS TWELVE MONTHS THE SELLER HAS NOT HAD AN
26 OWNERSHIP INTEREST IN MORE THAN TWO LOTS IN THE SUBDIVISION, INCLUDING AN
27 INTEREST BY OPTION, AN AGREEMENT FOR SALE, A BENEFICIAL INTEREST UNDER A
28 TRUST OR A PURCHASE CONTRACT.

29 C. Nothing in this section shall be construed to increase, decrease
30 or otherwise affect any rights or powers granted the commissioner under this
31 chapter.

32 D. The provisions of this section do not apply to lands on which the
33 commissioner has issued orders pursuant to sections 32-2154 and 32-2157 and
34 section 32-2183, subsection I unless the commissioner has issued a public
35 report on those lands subsequent to the date of the orders.

36 E. Nothing in this section shall be construed to increase, to decrease
37 or to otherwise affect any rights or powers granted to political subdivisions
38 of this state with respect to their jurisdictions.

APPROVED BY THE GOVERNOR APRIL 9, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 2001.

Passed the House January 29, 2001,


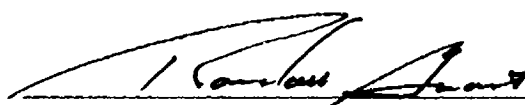
Passed the Senate April 2, 2001

by the following vote: 57 Ayes,

by the following vote: 29 Ayes,

0 Nays, 3 Not Voting

0 Nays, 1 Not Voting


Speaker of the House
President of the Senate
Chief Clerk of the House
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

3 day of April, 2001

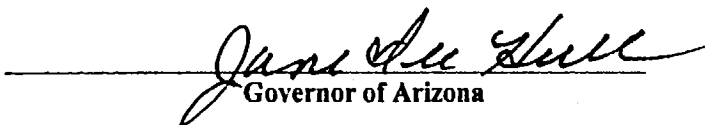
at 12:35 o'clock P M.


Secretary to the Governor

Approved this 9 day of

April, 2001,

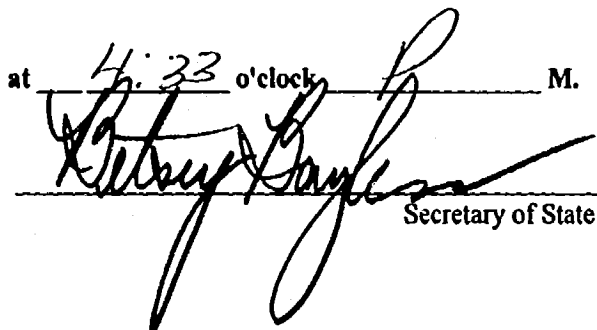
at 11:15 o'clock A M.


Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 9 day of April, 2001

at 4:33 o'clock P M.


Secretary of State

H.B. 2023